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DE RUEHDM #0146/01 0591307
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FM AMEMBASSY DAMASCUS
TO RUEHC/SECSTATE WASHDC PRIORITY 4676
INFO RUEHAD/AMEMBASSY ABU DHABI PRIORITY 1392
RUEHAM/AMEMBASSY AMMAN PRIORITY 7240
RUEHAK/AMEMBASSY ANKARA PRIORITY 5477
RUEHGB/AMEMBASSY BAGHDAD PRIORITY 0777
RUEHLB/AMEMBASSY BEIRUT PRIORITY 4865
RUEHRL/AMEMBASSY BERLIN PRIORITY 0127
RUEHSW/AMEMBASSY BERN PRIORITY 0073
RUEHEG/AMEMBASSY CAIRO PRIORITY 3561
RUEHDO/AMEMBASSY DOHA PRIORITY 0467
RUEHKU/AMEMBASSY KUWAIT PRIORITY 1302
RUEHLO/AMEMBASSY LONDON PRIORITY 0387
RUEHFR/AMEMBASSY PARIS PRIORITY 0415
RUEHRH/AMEMBASSY RIYADH PRIORITY 7948
RUEHRO/AMEMBASSY ROME PRIORITY 0907
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 2103
RUEHDE/AMCONSUL DUBAI PRIORITY 0169
RUEHIT/AMCONSUL ISTANBUL PRIORITY 0318
RHMFISS/HQ USCENCOM MACDILL AFB FL PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RHMFISS/HQ USEUCOM VAHINGEN GE PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

S E C R E T SECTION 01 OF 04 DAMASCUS 000146

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STATE FOR NEA/ELA, EEB/TFS; TREASURY FOR LEVEY/GLASER; NSC
FOR ABRAMS/SINGH/GAVITO

EO 12958 DECL: 02/28/2028
TAGS ECON, EFIN, EINV, KCOR, PGOV, SY, LE
SUBJECT: CORRECTED COPY: REACTIONS TO MAKHLUF
DESIGNATION

REF: A. DAMASCUS 126 B. DAMASCUS 70 C. DAMASCUS 54
Classified By: Charge d'Affaires Michael Corbin for reasons 1.4(b,d)
This is a corrected copy of DAMASCUS 142 -- deleted extra word in the comment.

1. (S) Summary: The February 21 designation of Rami Makhluf pursuant to E.O. 13460 generated considerable discussion, but Syrian media coverage

MAKHLUF REACTS WITH BRAVADO ON BBC RADIO

2. (SBU) The February 21 designation of Rami Makhluf hit Damascus on the eve of the Syrian weekend and thus generated little initial media reaction

SERENDIPITOUS TIMING AMPLIFIES IMPACT ON REGIME

3. (S) Coming just a week after the assassination of Imad Mughniyeh, and during a period of rising tensions with Saudi Arabia and the West, the
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participation in the Arab League summit, and Syrians are increasingly concerned about the direction Lebanon is heading. Thus, in the conspiracy

EDUCATED SYRIANS AND CIVIL SOCIETY CELEBRATE

4. (S) The designation resonated on the Syrian "street" among middle class followers of international media, many of whom quietly celebrated the

SOME BUSINESSMEN EXPRESS APPREHENSION

5. (S) Reaction from Embassy business contacts tended to fall into one of two categories, depending on the contact's relationship with the regime

6. (S) XXXXXXXXXXXX, a businessman XXXXXXXXXXXX argued any corruption sanctions that did not include Rami would be meaningless. He predicted that

7. (S) A reporter for XXXXXXXXXXXX said he
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wasn't sure the details of the designation were well understood by Syrian businessman and the average Syrian in the street. How would the designation

8. (S) XXXXXXXXXXXX a XXXXXXXXXXXX correspondent working on his own piece regarding Makhluf, passed along that he and other journalists had in

WHILE OTHER ELITES ARE DISMISSIVE

9. (S) Elites with a pro-regime bias characterized the designation as a purely symbolic gesture with no tangible economic repercussions. They

10. (S) XXXXXXXXXXXX admitted to Econoff that, after hearing about the designation on Al Jazeera, he had run his own name through Google to

11. (S) XXXXXXXXXXXX assessed Rami's designation as an empty, desperate attempt by the outgoing Bush administration to punish a member of Bashar

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little. The time for such an action was two years ago." Unless the U.S. could sanction Rami's Byblos Bank (five percent share) or convince the

12. (S) XXXXXXXXXXXX characterized Rami's designation as a "mostly symbolic gesture" that would have little impact on the regime's policies. X

13. (S) XXXXXXXXXXXX said he had had several run-ins with Makhluf XXXXXXXXXXXX during his tenure, but that Rami had learned "the hard way" from

COMMENT

14. (S) Rami Makhluf's designation has generated the most reaction among Embassy contacts of any USG action vis-a-vis Syria in the past three
CORBIN